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4. Hungary, Rumania, East Germany, and Bulgaria will live on their own production of grains and arrange certain exchanges between them, e.g., Hungarian wheat for Rumanian corn. Any exportable surpluses from these Satellites, which will be small, will be offered for sale to the West. No deliveries will be made to the USSR from the Satellites or vice versa.

5. China has made arrangements to sell peanuts, soya beans and their derivatives both to Hungary and Rumania. Payment to China for this produce will be made by Hungary and Rumania in deliveries of armaments, mostly light automatic weapons. Nearly all of this Chinese produce will be offered for resale in the West by Rumania and Hungary

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6. The USSR never interferes in Satellite grain sales to the West, nor in Satellite grain purchases from the West, unless these purchases are made on credit, in which case Moscow steps in and arranges the necessary guarantees required by the creditors. Similarly, the USSR does not interfere when grain exchanges are arranged between the Satellites; but where grain is to be purchased on credit by one Satellite from another, the necessary loans and guarantees are arranged in Moscow (see paragraph 2 above).

7. [redacted] the 35,000 tons of corn which Rumania borrowed from Bulgaria in 1954 is being repaid to Bulgaria from the 1955 Rumanian crop plus a cash bonus amounting to 10% of the estimated value of the corn.

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8. The 20,000 tons of corn which Bulgaria had sent to Hungary in June 1955 had been followed by a further shipment of a similar amount in July. Hungary was repaying Bulgaria with an unstated amount of wheat from her 1955 crop.

9. [redacted] the USSR has never sold grain as home-produced when it had been imported from abroad.

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10. [redacted] farmers in Hungary are no longer obliged to sell any grain to the state, but no one is allowed to purchase grain except the state. This has resulted in the farmers holding back much wheat which would otherwise have served to feed the industrial population and build up an exportable surplus. The farmers are using this wheat to feed to poultry because poultry farming is a much more lucrative livelihood than wheat growing. This is the principal reason for the wheat shortage in Hungary in 1954, and the very small exportable surplus Hungary will have in 1955 in spite of a bumper harvest in the latter year.

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11. No stockpiling of food is being undertaken in any of the Satellites for the good reason that they all have too much difficulty to find sufficient food to feed their populations and "nothing is left over to put in the store cupboard".

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